

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02721A
Carter's Water Company
1157 East Sunset Dr
Casa Grande, AZ 85222

RECEIVED

APR 10 2007

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4-23-07

SCANNED

COMPANY INFORMATION

Company Name (Business Name) <u>Carter Water Company</u>		
Mailing Address <u>1157 E. Sunset Drive</u> (Street)		
<u>Casa Grande</u> (City)	<u>Arizona</u> (State)	<u>85222</u> (Zip)
<u>520-836-5300</u> Telephone No. (Include Area Code)	<u>520-705-1932</u> Fax No. (Include Area Code)	<u>520-705-1932</u> Pager/Cell No. (Include Area Code)
Email Address <u>casadecarter2@msn.com</u>		
Local Office Mailing Address <u>Same</u> (Street)		
<u></u> (City)	<u></u> (State)	<u></u> (Zip)
<u></u> Local Office Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u></u> Pager/Cell No. (Include Area Code)
Email Address <u></u>		

MANAGEMENT INFORMATION

Management Contact: <u>Gene D. Carter</u> (Name)			<u>Owner/operator</u> (Title)
<u>1157 E. Sunset Drive</u> (Street)	<u>Casa Grande</u> (City)	<u>Arizona</u> (State)	<u>85222</u> (Zip)
<u>520-836-5300</u> Telephone No. (Include Area Code)	<u></u> Fax No. (Include Area Code)	<u>520-705-1932</u> Pager/Cell No. (Include Area Code)	
Email Address <u>casadecarter2@msn.com</u>			
On Site Manager: <u>Mark Carter</u> (Name)			
<u>3954 N. Wheeler Road</u> (Street)	<u>Coolidge</u> (City)	<u>Arizona</u> (State)	<u>85228</u> (Zip)
<u>520-723-723-5539</u> Telephone No. (Include Area Code)	<u>-0-</u> Fax No. (Include Area Code)	<u>-0-</u> Pager/Cell No. (Include Area Code)	
Email Address <u>casadecarter2@msn.com</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Gene D. Carter

(Name)

1157 E. Sunset Drive

(Street)

Casa Grande

(City)

Arizona 85222

(State)

(Zip)

520-836-5300

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michelle Emig

(Name)

1729 N. Trekell Road Casa Grande

(Street)

(City)

Arizona 85222

(State)

(Zip)

520-836-1200

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)** _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☒ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME

CARTER WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	560.00	483.00	77.00
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	4200.00	3639.00	561.00
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations	455.00		
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	905.00	750.00	155.00
341	Transportation Equipment	Donated to charity		
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	6120.00	4774.00	793.00

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME CARTER water company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment			
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS			1314.00

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 200.00	\$ 135.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	938.00	1800.00
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1138.00	\$ 1935.00
	FIXED ASSETS		
101	Utility Plant in Service	\$ 6120.00	\$ 6120.00
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	6120.00	4774.00
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 1138.00	\$ 1935.00
	TOTAL ASSETS	\$ 1138.00	\$ 1935.00

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES	- 0 -	- 0 -
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$	\$
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ - 0 -	\$ - 0 -
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ - 0 -	\$ - 0 -

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 1800.00	\$ 3120.00
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$ 1800.00	\$ 3120.00
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	2174.00	2660.00
618	Chemicals		
620	Repairs and Maintenance	1376.00	2900.00
621	Office Supplies and Expense	280.00	115.00
630	Outside Services		3270.00
635	Water Testing	657.00	656.00
641	Rents		
650	Transportation Expenses	724.00	846.00
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2200.00	2570.00
403	Depreciation Expense	1314.00	752.00
408	Taxes Other Than Income		
408.11	Property Taxes	732.00	1735.00
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 9467.00	\$ 15302.00
	OPERATING INCOME/(LOSS)	\$ -7657.00	\$-12182.00
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ -7657.00	\$-12384

COMPANY NAME	CARTER WATER COMPANY
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SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ -0-
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Meter Deposits Refunded During the Test Year \$ -0-

COMPANY NAME	CARTER Water company
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
C55638440	1	20	189	6"	2"	1952

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
-0-		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1	1	-0-	-0-

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
1500	1	3500	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	carter water company
Name of System	ADEQ Public Water System Number (if applicable)

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2200
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	13
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

-0-

STRUCTURES:

Submersible pump, Storage Tank, Booster Pump, Pressure

Tank, Distribution Lines, Meters

OTHER:

-0-

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	CARTER WATER COMPANY
Name of System	ADEQ Public Water System Number (if applicable)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	13	264,629	300	-0-
FEBRUARY	13	309,500	300	-0-
MARCH	13	218,710	200	-0-
APRIL	13	278,500	300	-0-
MAY	13	461,600	500	-0-
JUNE	13	412,672	400	-0-
JULY	13	322,150	300	-0-
AUGUST	13	330,300	300	-0-
SEPTEMBER	13	293,210	300	-0-
OCTOBER	13	241,100	200	-0-
NOVEMBER	13	284,760	300	-0-
DECEMBER	13	228,092	200	-0-
TOTALS →		3,645,223	3600	-0-

What is the level of arsenic for each well on your system? 0.0092 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 0 GPM for hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (x) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(x) Yes () No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (x) No

If yes, provide the GPCPD amount:

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME CARTER WATER COMPANY YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 2163.80

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. 0

RECEIVED

VERIFICATION
AND
SWORN STATEMENT
Taxes

APR 19 2007

12 CORP COMM
Director Utilities

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Pinal
NAME (OWNER OR OFFICIAL) TITLE	Gene D. Carter
COMPANY NAME	Carter Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Gene D. Carter

SIGNATURE OF OWNER OR OFFICIAL

520-836-5300

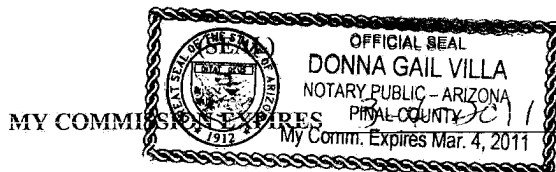
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 18 DAY OF

COUNTY NAME	Pinal
MONTH	April 2007



Donna Gail Villa

SIGNATURE OF NOTARY PUBLIC

www.co.pinal.az.us/treasurer e-mail: treasurer@co.pinal.az.us

CNTR Batch: 2249912
Payment Date: 9/06/2006
Interest Date: 9/06/2006
Printed By: TRSSRN
DUPLICATE Printed: 4/17/2007

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
400-37-00103	2006 Taxes	427.64		
	Paid	427.64	.00	
	Total Paid	<u>427.64</u>		
WHEELER SUBD: TRACT 11 5.42 AC				

e-mail: treasurer@co.pinal.az.us

WHEELER SUBD: TRACT 11 5.42 AC

www.co.pinal.az.us/treasurer e-mail: treasurer@co.pinal.az.us

Parcel Number	Description	Amt Pd	Balance Due	If Paid By
400-37-00103	2004 Cert	921.22		
	*** Certificate Redeemed			
	Paid	921.22	.00	
WHEELER SUBD: TRACT 11 5.42 AC				

COMPANY NAME CARTER Water Company YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability None

State Taxable Income Reported _____
Estimated or Actual State Tax Liability None

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances None
Amount of Gross-Up Tax Collected None
Total Grossed-Up Contributions/Advances None

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Gene D. Carter
SIGNATURE

4-15-07
DATE

Gene D. Carter
PRINTED NAME

Owner/Operator
TITLE

APR 19 2007

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Pinal
NAME (OWNER OR OFFICIAL) TITLE	Gene D. Carter
COMPANY NAME	Carter Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 31,200.00

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ _____
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Gene D. Carter
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 18 DAY OF

COUNTY NAME	Pinal
MONTH	April 2007



Donna Gail Villa
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

APR 19 2007

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Pinal	
NAME (OWNER OR OFFICIAL)	Gene D. Carter	TITLE Owner/Operator
COMPANY NAME	Carter Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 3120.00

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 200.68
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Gene D. Carter
SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

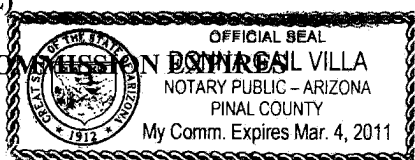
18

DAY OF

NOTARY PUBLIC NAME	Dora Ann Villa	
COUNTY NAME	PINAL	
MONTH	April	2007

(SEAL)

MY COMMISSION



X

Dora Ann Villa
SIGNATURE OF NOTARY PUBLIC